

Program 060

DSHS - Economic Services Administration**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2005-07 Expenditure Authority	4,441.7	984,247	1,277,913	2,262,160
Supplemental Changes				
Children's Health Program	(8.0)	(3,473)		(3,473)
WorkFirst Performance Team Funding		(470)		(470)
WorkFirst Funding Shortfall		46,000		46,000
Middle Management Reduction	(58.0)	(2,852)	(3,087)	(5,939)
Bellevue Office Relocation One-Time Cost		138	57	195
Head Start Collaboration Transfer	(.8)		(180)	(180)
Child Support Incentives		8,641	(3,931)	4,710
Incapacity Exams		2,014	504	2,518
Supplemental Security Income Payment Maintenance of Effort Correction		2,168		2,168
Statewide Leased Facilities Implementation Transfer	(2.1)	(236)	(152)	(388)
Federal Funds Technical Adjustment				
L&I Rate Adjustments		74	10	84
Pension Plan 1 Unfunded Liabilities			1,798	1,798
Technical Corrections		3,641	240	3,881
Fuel Rate Adjustment		2	3	5
Mileage Rate Adjustments		56	35	91
Mandatory Caseload Adjustments		8,071	902	8,973
Federal Medical Assistance Percentage Match Adjustment		17	(17)	
Subtotal - Supplemental Changes	(68.9)	63,791	(3,818)	59,973
Total Proposed Budget	4,372.9	1,048,038	1,274,095	2,322,133
Difference	(68.9)	63,791	(3,818)	59,973
Percent Change	(1.6)%	6.5%	(0.3)%	2.7%

SUPPLEMENTAL CHANGES**Children's Health Program**

The enacted 2005-07 Biennial Budget included a capped appropriation to provide Medicaid look-alike health coverage to children who, because of immigration status or immigration-related waiting periods, are not eligible for Medicaid. The November 2005 forecast of per-child medical costs is higher than when the budget was developed. There is also evidence that pent-up demand for services might increase expected costs early in the program. However, of the \$3.5 million budgeted for administrative purposes in the Economic Services program, only \$2.2 million can be used to help compensate for higher than expected service costs. All children's health program administrative funds in Economic Services are redirected to the Medical Assistance Administration - \$1.3 million to pay for administrative costs and \$2.2 million for medical services reimbursements. (General Fund-State, General Fund-Federal)

HUMAN SERVICES - DSHS

WorkFirst Performance Team Funding

Funding for the Office of Financial Management WorkFirst Performance Team is transferred to the OFM budget rather than through an interagency agreement.

WorkFirst Funding Shortfall

Additional funding is provided to avoid reductions to subsidized child care and to partially restore state funds that were removed from the WorkFirst Program in the 1999-01 Biennial Budget.

Middle Management Reduction

Middle management and regional staff reductions that were placed in the agency's administrative budget are transferred into program budgets. This step nets to zero agency wide.

Bellevue Office Relocation One-Time Cost

One-time funding is provided to relocate the Bellevue office in accordance with the leased facilities strategic plan to implement efficiencies and to reduce facility costs by co-locating with other Department of Social and Health Services programs. (General Fund-State, General Fund-Federal)

Child Support Incentives

A reduction is made to the Division of Child Support's local fund appropriation for Fiscal Years 2006 and 2007. An offsetting increase is made to the state funds appropriation to reflect the actual amount of the child support incentives awarded. Additional General Fund-State funds are also provided in each year to repay the shortfall between incentives appropriated and those that are awarded. (General Fund-State, General Fund-Federal)

Incapacity Exams

Additional funds are provided to cover the increased costs associated with providing incapacity exams to general assistance applicants.

Supplemental Security Income Payment Maintenance of Effort Correction

A technical correction is made to meet the Supplemental Security Income State Supplemental Payment Maintenance of Effort (SSP MOE) requirement for Fiscal Year 2006. The department is directed to make all changes necessary to allow them to claim eligible DDD expenditures as SSP MOE in 2007.

Statewide Leased Facilities Implementation Transfer

Staff and associated funding are transferred within the Department of Social and Health Services to support the Statewide Leased Facilities Model. These staff and dollars are transferred from the program budgets to the administrative services budget. This step nets to zero agency-wide. (General Fund-State, General Fund-Federal)

Federal Funds Technical Adjustment

The spending plan for federal funds needs to be adjusted between federal account types to accurately reflect the source of federal match which will be earned in the enacted 2005-07 Biennial Budget. (General Fund-Federal)

L&I Rate Adjustments

Adjustments of workers' compensation charges include changes to an agency's experience factor that reflects the agency's past claim history. (General Fund-State, General Fund-Federal)

Technical Corrections

Several programs in the Department of Social and Health Services require technical corrections to the 2005-07 Biennial Budget. These corrections include changes related to shared services, information services, domestic violence prevention (HB 1314), and targeted vendor rate transfers. (General Fund-State, General Fund-Federal)

Fuel Rate Adjustment

Increased funding is provided to address projected increases in fuel costs during the 2005-07 Biennium for the first fiscal year. (General Fund-State, General Fund-Federal)

Mileage Rate Adjustments

The U.S. Treasury Department raised its allowable reimbursement rate for automobile mileage to \$.485, effective September 15, 2005 through December 2005. Effective January 2006, the rate becomes \$.445 per mile. Funding is provided for the difference between the \$.375 per mile reimbursement rate set in the 2005-07 Biennium and the new rates for the first year of the biennium. (General Fund-State, General Fund-Federal)

Mandatory Caseload Adjustments

The November 2005 forecast adopted by the Caseload Forecast Council assumed changes in caseload for refugee assistance, general assistance, child support recoveries, and immigrant food assistance. (General Fund-State, General Fund-Federal)

Federal Medical Assistance Percentage Match Adjustment

The amount of federal funding available for match on current programs will increase as a result of the update to the Federal Medical Assistance Percentage (FMAP). The change is effective October 1, 2006 and will increase the match on Medicaid expenditures from 50 percent to 50.12 percent. The State Children's Health Insurance program will increase from 65 percent to 65.08 percent. (General Fund-State, General Fund-Federal)